

## MADDOO, AROUSED, FLATLY CHARGES MANIPULATION

Accuses New York  
Banks of Depressing  
Government Bonds.

## SEEK TO DEFEAT CURRENCY BILL

Secretary Hopes Movement "Will  
Not Be Carried to Point Where  
Department Will Have to  
Take Action"—Business  
Interests Will Be  
Protected.

Washington, July 28.—Secretary McAdoo issued a statement to-night flatly charging that the decline of government 2 per cent bonds to 95 1/2-4, a new low record—was due "almost wholly to what appears to be a campaign waged, with every indication of concerted action on the part of a number of influential New York City banks to cause apprehension and uneasiness about these bonds, in order to help them in their efforts to defeat the currency bill."

Banks throughout the country own almost entirely \$250,000,000 of the 2 per cent bonds. Their market value today was approximately \$230,000,000 less than when the banks bought them. Almost all the entire issue is used as security for national bank notes. At the present crisis, however, the discrepancy between the market value and the value of the bonds is known as the 5 per cent redemption fund, deposited by the banks with the Treasury for retirements of national bank notes.

Still Worse Par.  
Secretary McAdoo announced it was not his intention to require the banks to charge off the present depreciation below par, but that the banks might continue to put in the bonds at par in their statements to the comptroller of the currency, at least "until some radical change in conditions should compel the adoption of another course."

In his statement, Secretary McAdoo declared the 2 per cent bonds were worth par, notwithstanding the depreciation below par, but that the banks might continue to put in the bonds at par in their statements to the comptroller of the currency, at least "until some radical change in conditions should compel the adoption of another course."

"The idea seems to be that the country banks which hold about two-thirds of the 2 per cent bonds, and use them as the basis for their circulation notes, may be induced to sell the New York City banks in opposition to the bill if they can be made to believe that the proposed currency measure is going to injure these bonds and cause losses to the banks. This is, of course, unfounded. It is folly for any bank to sell government bonds at a sacrifice, because of any apprehended legislation adverse to government bonds, as no such legislation will result. In the 124 years of its existence, the government has kept faith scrupulously with its creditors, and it is not going to change its honorable character now. If the necessities of any bank obligate it to sell bonds at depressed prices, that, of course, is another matter—a matter solely for the bank to determine."

The secretary said that not only had no such occurred to impair the value of the 2 per cent bonds, but that the amendment already adopted by the Banking and Currency Committee of the House enhances their intrinsic worth.

Because the banks and all other holders of 2 per cent bonds are given a privilege, not now possessed, of exchanging the 2s for 3s without the circulation rights, and the rate of 5 per cent on the maturity of the bonds, present or hereafter acquired, so long as they do not make the exchange, they may retain or sell and buy the 2 per cent bonds and exchange the circulation rights attached thereto.

"2. At the end of twenty years the government will pay at par and interest."

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## TOWNSEND IS BITTER IN HIS ARRANGEMENT

Denounces Tariff Bill as Conceived in Hatred of Protection.

## CRITICIZES PRESIDENT WILSON

Senator Thinks There Is Too Much Executive Interference With Congress.

Washington, July 28.—Senator Townsend, of Michigan, in a speech in the Senate today, characterized the Payne-Aldrich tariff law as "the Gettysburg where factions of the Republican party were formed in battle array," that led to the triumph of Democratic party, giving it an opportunity to write the pending tariff bill, which he condemned.

"This bill," Senator Townsend said, "was conceived, in hatred of the American policy of protection and brought forth in the darkness of the secret caucus chamber under the professional charge of one who has never had any experience in business obstacles. Is any wonder that the thing is misshapen and deformed? Is it any wonder American progress and prosperity look with disfavor upon it?"

Senator Townsend also criticized "executive interference" and caucus domination.

Too Much Sensationalism.  
Injecting comments on the lobby inquiry in the Senate and House, Senator Townsend said that critics of improper action had been based upon unquestioned facts and not upon innuendo or falsehood, and continued:

"To-day, as at all times in the past, the sensational is too prominently featured and too little attention given

## MULHALL HEARS ANOTHER DENIAL OF HIS CHARGES

Senator Lodge Tells Committee He Never Knew Lobbyist.

## MORE LETTERS IN BOASTFUL STRAIN

Epistles Read Into Record Tell of Interviews With Men in High Places and Ease With Which Powerful Committees Can Be Controlled.

Washington, July 28.—Martin M. Mulhall sat on the witness stand before the Senate lobby committee to-day and listened to another Senator deny his statements. Senator Lodge, mentioned the former "lobbyist" for the National Association of Manufacturers had held political conferences, declared he did not know the witness, and never had heard of him until the present investigation began.

Mulhall's correspondence, read to-day, brought him into the year 1911, when the House became Democratic. In many of his letters that year he spoke of interviews with Majority Leader Underhill, and with the Secretary of Labor in President Taft's Cabinet, then chairman of the House Labor Committee, James T. Lloyd, of the First Missouri District, chairman of the Democratic congressional committee, and other prominent men. He wrote in the strain he used all through his letters to J. P. Bird, the general manager of the association, and other officials of having men appointed to committees, of presenting legislation, and of generally having much to do with the operations of government in Washington. He mentioned in several letters that he hoped to have greater success with the Democratic House than he had boasted he had in the days of Republican rule, but, questioned by the committee, said he had been too optimistic in his predictions.

Mulhall took up his relations with Representative J. T. McDermott, of Illinois, and I. H. McMichael, one-time chief page of the House and confidential man of the late President Taft. He identified what he swore was a receipt for \$100 given him by McMichael for service in September and October, 1911, and reiterated that McDermott borrowed money from him, which he never paid back.

Tells of Secret Room.  
Senator Reed became deeply interested in talk about a "secret room," which Mulhall said McDermott secured for use of the lower end of the west front of the Capitol on the House side. He described that as quite a mysterious place, and the committee will inspect it later. Mulhall went to the length of making arrangements to hire a stenographer whom he intended to place in this room. He wrote to Bird about the room and the stenographer. All through to-day's letters Mulhall appeared in opposition to legislation favoring labor.

Mulhall's letters to the committee were a labor lobby in Washington, then in which Samuel Gompers, Frank Morrison and other officials of the American Federation of Labor were conspicuous.

The committee made little progress to-day. Senator Reed read extracts from dozens of letters referring to the franking of books and seeds, bulbs and other things through the mails to friends of the association.

One of the last to go in was dated October 25, 1911, from Mulhall to General Manager Bird, offering his resignation. The committee did not have time for examination of Mulhall on the subject, but he declared that he got into difficulty with the executive board of the organization after he made a campaign trip to Maine. He will tell the whole story of his separation from the service to-morrow. Robert McCarter, counsel for the National Association of Manufacturers, will be called to the stand to-morrow.

to the truth. A saturnalia of abuse and misrepresentation seems to be reigning, and Congress has been stampeded into investigations of itself, and the business men who, as patriots, are expected to be having the whole thing business is threatened with destruction and themselves with prosecution.

"There is one thing which stands out clearly at this time, and that is this: the administration was not so premeditatedly happy if it were well as some scapegoat for its own handiwork."

Attacks Warren attacked the remark made several days ago by Senator Williams that the last election gave him authority for the statement that the people favored a tariff for revenue only. Senator Warren maintained that there was no such mass opinion, because the presidential campaign was three-cornered and the Democrats won by a minority vote.

"Atrocious betrayal of pre-election promises" was his characterization of the Democratic betrayal. The Republicans and Progressives, he said,

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## WILL BE NO TRIAL EXCEPT IN COURT ON LIBEL CHARGE

Self-Deposed Episcopal Minister Threatens Legal Proceedings.

## BRINGS CHARGES AGAINST BISHOPS

Holds Them Guilty of Cruelty and Unfairness, and Alludes to "Conspiracy of Wicked Men and Influence, Back of It All, of Thoroughly Bad Woman."

(Special to The Times-Dispatch.)  
Charlottesville, Va., July 28.—When shown the statement in to-day's morning papers that he would be tried before an ecclesiastical court, the Rev. Charles Steele Davidson, who made such a sensational attack 23 days upon the Episcopal Church, after burning his vestments and prayer book in the presence of Eliza Jane Coleman, a negro mammy, at the gates of Monticello, had the following to say:

"There will be no trial, except in the United States Court for libel. The Episcopal Church has no point against me which cannot be cleared perfectly. I have done nothing that cannot be justified. I received notice ten days ago to appear in Roanoke before a church court, but was later notified that the trial would not take place on Monday, July 28. I am not interested now in what they are going to do, having publicly repudiated and renounced the ministry of the Episcopal Church."

"My charges of unfairness and injustice against them include the brutality, cruelty and unfairness of two bishops, the conspiracy of wicked men and the influence, back of it all, of a thoroughly bad woman. This woman's name I will make public and am justified. I received notice ten days ago to appear in Roanoke before a church court, but was later notified that the trial would not take place on Monday, July 28. I am not interested now in what they are going to do, having publicly repudiated and renounced the ministry of the Episcopal Church."

"After days of fruitless effort, Detective-Sergeant Kellam yesterday succeeded in obtaining information which leads the police to believe that young Miss Adele Smith, daughter of A. J. Smith, of the Southern Stock Yards, was the driver of the carriage that last Tuesday night ran down Nell Christensen in Broad Street, near Robinson. Unconscious of the fatality which followed her collision with Christensen in the inky darkness, Miss Smith is now visiting in Greenwood, Va., with her mother."

Although convinced that the unfortunate affair was entirely an accident, the police will be forced to comply with the requirements of the law in such cases, and will issue a warrant for Miss Smith's arrest on the charge of murder. Both the police and Mr. Smith are loath to break the news of the misfortune to the young woman, and, according to the present plans, will not acquaint her with Christensen's death until the time of her visit in Greenwood is up and she returns to the city.

Coroner Taylor, however, will call the coroner's jury to complete the unfinished inquest into the death this morning at 9:30 o'clock in the City Hall. With the information now in the hands of Detective Kellam, he will be instructed to return a verdict of accidental death, resulting from collision with a runaway driven by Miss Adele Smith.

Absent Since Accident.  
The absence of Miss Smith from the accounts for the difficulty the police have experienced in attempting to discover the identity of the unknown woman who drove the vehicle which caused Christensen's death. From the outset the police have been confident that as soon as she was aware of the fatal termination of the accident, the unknown woman would make herself known, as at the time of the collision the driver had done.

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## ENGLAND'S PRINCE COMING FOR VISIT

King George and Queen Mary Likely to Pay Call on United States.

(Special Cable to The Times-Dispatch.)  
London, July 28.—It is not considered improbable in high circles that their Majesties, King George and Queen Mary, will visit the United States in the near future. They have contemplated for some time a visit to Canada, and it is believed they will take advantage of the opportunity to cross the border, and perhaps to New York.

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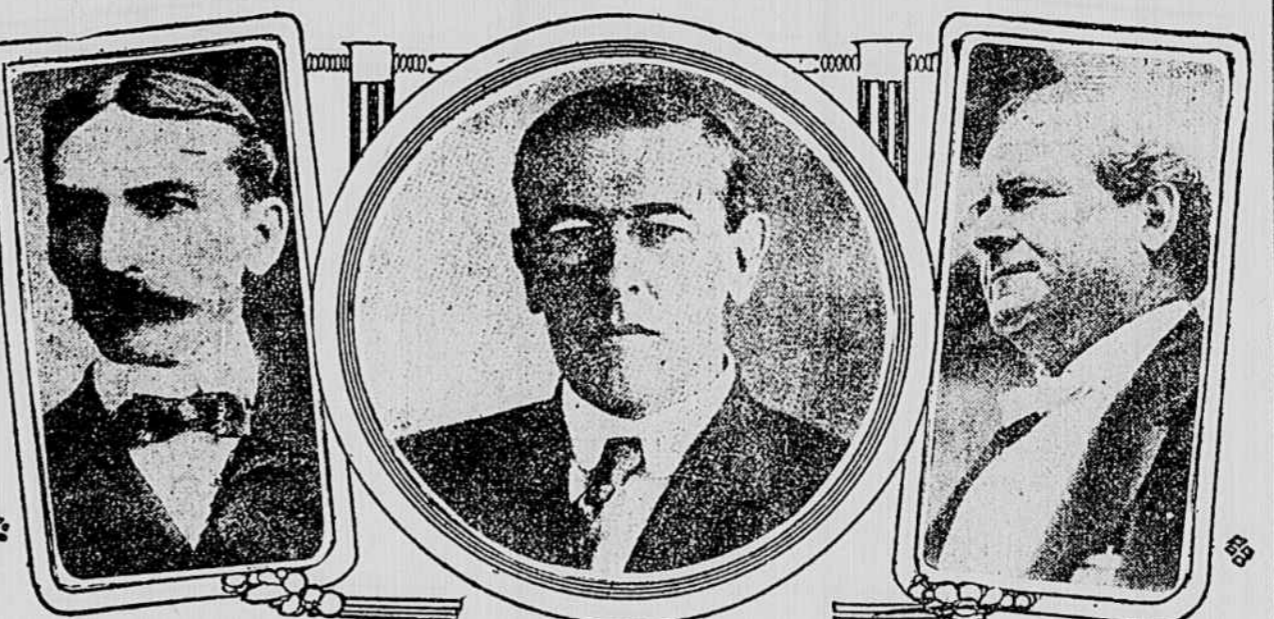
## S. U. G. RHODES CONVICTED

Another West Virginia Legislator Found Guilty of Bribery.  
Weber Springs, W. Va., July 28.—S. U. G. Rhodes, member of the lower branch of the West Virginia legislature, accused of accepting a bribe in connection with the recent contest for United States Senator, was found guilty late to-day. He is the fourth of seven legislators to be tried for bribery growing out of the senatorial campaign. State Senator Ben A. Smith and Delegates Rath Duff and Dr. H. F. Ashbury have been convicted and are now awaiting sentence.

## NOMINATION CONFIRMED

Colonel Joseph E. Willard Now Is Member of Senate.  
Washington, July 28.—The Senate today confirmed the appointments of Frederick C. Penfield as ambassador to Austria-Hungary; James W. Gerard, ambassador to Germany; Joseph E. Willard, minister to Spain; Charles Kirtman, minister to Ecuador; John W. Davis, Solicitor-General, and Charles S. Hamlin, Assistant Secretary of the Treasury and judicial appointments in California.

## Trying to Find Solution of Mexican Problem



## POLICE FIND NAME OF WOMAN IN CASE

Miss Adele Smith, Now Out of Town, Thought to Have Killed Dane.

## SUPPOSED HIS INJURY SLIGHT

Like Neil Christensen, Miss Smith Believed Runabout Accident a Minor Affair.

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## FORCES GATHERING FOR ANOTHER ATTACK

Charge of Forgery Will Be Launched at Governor Sulzer To-Morrow.

## BELIEVE JAPAN NEARLY SATISFIED

Administration Officials Confident Trouble in That Quarter Is Over.

Washington, July 28.—Administration officials here are disposed to take an optimistic view of the negotiations with Japan arising from her protest against the California antilake law, and believe that a complete understanding almost is in sight.

While there may be another interchange of notes, administration officials feel that the diplomatic correspondence so far has established the friendliness of the United States government for Japan, and the absence of intent upon its part to discriminate against Japanese. While there has been no specific solution of the questions arising, it is said, a frank understanding of the purposes of the two nations has arisen from the negotiations.

Though nearly two weeks have expired since the delivery to Ambassador China of the American reply to the last Japanese note, no intimation has reached Washington of a purpose on the part of the Japanese Foreign Office to continue correspondence.

The administration is resting in the hope that its last pronouncement on the subject has satisfied the Japanese government of two facts of importance, that there has actually been no violation of the treaty rights of the Japanese by alien land legislation, and that recourse must be had to the courts to determine the question of the effect of the Webb law upon such basic rights and privileges of the Japanese as are granted by international law and comity.

It is believed here that the entire attention of the Japanese Foreign Office is at present absorbed by the critical condition in near-by China, which might influence the Japanese government at least to suspend the negotiations with the United States until a test case has been tried to a conclusion in California, some time after August 10, when the antilake land act becomes effective.

Fast Mail Is Wrecked.  
Whitefish, Mont., July 28.—Great Northern fast mail No. 2, westbound, was wrecked east of Rockhill to-day. The engineer and fireman were killed and the express messenger injured, but will recover. The cause of the accident has not been determined. The engine left the rails and turned over, one of the mail cars piling on top of it.

## AGREE TO WRANGLE TWO WEEKS MORE

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## RETURN OF WILSON TO MEXICAN POST IS NOT PROBABLE

He Is Not in Sympathy With Views of President.

## ONE PRACTICAL; OTHER IS MORAL

Ambassador's Plans for Restoring Peace in Mexico Do Not Meet With Favor at White House. Possible Warring Factions May Solve Own Difficulty.

Washington, July 28.—Ambassador Henry Lane Wilson, summoned from Mexico City to inform the Washington administration of conditions in the rebellion, returned to-day, after an hour with President Wilson and Secretary Bryan to-day, submitting chiefly a recommendation that the United States use its influence to stabilize the Huerta regime.

No policy was evolved—at least none was announced—but it became known that the President's ideas and those of Ambassador Wilson as to the course to be pursued were so radically different that administration officials interpreted the day's developments as forecasting the acceptance of Ambassador Wilson's resignation.

President Wilson and the ambassador regard the future of the Mexican situation, it was learned, from opposite viewpoints. The President is concerned over the morality of any policy adopted by the United States and its influence over the Latin-American countries, and is disinclined to strengthen a government that came into power through a questionable events incident to Madero's assassination.

Looks at Practical Side.  
Ambassador Wilson, on the other hand, is not so much concerned with the practical idea of the future. He believes it is the business of government to accept the situation as it is, and to extend recognition to the government if it did certain things to conserve American interests.

The ambassador's standpoint of a diplomatic representative who would not be sympathetic with the purpose of the Wilson administration in Washington is said to have practically convinced the President that the embassy in Mexico City had better be conducted for the present by Nelson O'Shaughnessy, its first secretary, reported here as efficient and experienced. An appointment upon the establishment of a satisfactory government at Mexico City. Meanwhile, the President advised Ambassador Wilson to take a rest for a few days, as he has been laboring under a nervous strain.

While the chief officers of the American government were doubting the facts of the situation to-day, it became known that a movement on foot which might eventually spare them the necessity of offering mediation in any other kind of interference in Mexican affairs, upon which the national pride of Mexico is sensitive.

The plan contemplates a repetition of the process by which Diaz abdicated in favor of a provisional President, accepted by both factions in the revolt against him. Provisional Mexicans of influence are interested in the idea and have informed Secretary Bryan that if the American government would refrain from any policy of mediation, at least for the present, an understanding between the warring forces looking toward a peaceful solution of political difficulties.

He Is Persuaded.  
Provisional President Huerta, it is suggested in the peace plan, might be persuaded by his friends that with the desperate financial condition of Mexico, his resignation would be an act of patriotism and self-denial. He would be asked to name a Minister of Foreign Relations, a post now vacant, so that through the constitutional process of succession a minister would succeed him as provisional President.

That the revolutionists in the north, led by Governor Carranza, had been informally sounded on the proposition became known, as well as the fact that certain men already had been mentioned for the provisional presidency, who would be acceptable, not only to the Huerta administration, but to the Constitutionalists as well. The naming of Carranza as provisional President and the convoking of a general election would follow, and it is hoped by those who are already working on the plan that the United States would recognize the new government so that Mexico's credit abroad would rise and make possible the negotiations of a loan to rehabilitate the finances of the republic.

In the meantime, the Constitutional army would be moved to assist in pacifying.

That both the President and Secretary Bryan are greatly concerned over the tangled financial state of Mexico was apparent from the questions which they asked of both their official and unofficial agents. Incidentally, C. N. Brown, president of the Mexican National Railway, who saw Secretary Bryan, was interrogated about the condition of the railways where loss of revenue and destruction of property have been great on account of revolution.

In Ambassador Wilson's report, particular attention also was given by him to the condition of banks in Mexico. Other advice had been obtained, too, as to the heavy drains by the Huerta government on the resources of Mexico's big banking institutions.

Foreign Governments Sign.  
In this connection it became known that the diplomatic note citing financial conditions in Mexico as desperate would request the governments of the United States to recognize the Huerta government had been signed by the representatives in Mexico City, of Great Britain, France, Italy, Spain and Belgium. Just which countries transmitted the note to the United States for information has not been divulged.

The President has in hand a vast amount of information from which to deduce a policy. He has not only the

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